

Jeanie O'Laughlin  
Mayor

Nick Lessenevitch  
Mayor Pro Tem

Jim Creighton  
Councilmember

Kelly Kulikoff  
Councilmember

Karen Macedonio  
Councilmember



## **ADDENDUM**

## **AGENDA**

**CITY COUNCIL/SUCCESSOR AGENCY/HOUSING AUTHORITY MEETING**

**TUESDAY, APRIL 26, 2021**

**COUNCIL CHAMBERS & VIA ZOOM  
21000 HACIENDA BLVD., CALIFORNIA CITY, CA 93505**

### **NEW BUSINESS/SUCCESSOR AGENCY**

**NB 3. Consider, approve and adopt Ordinance No. 22-798 Amending Section 5-6.401 of the City of California City's Municipal Code to Approve an Increase in The Number of Cannabis Dispensaries Permitted to Operate within the City-** by Interim City Manager Anne Ambrose

#### **Recommendation**

Introduce the ordinance amending the maximum number of retail storefront operations to ten (10) and delivery-only dispensaries to twenty (20).

**The following item(s) were added to the City Council agenda after publishing and posting, but more than 72 hours before the meeting.**

# CITY COUNCIL



**DATE:** April 26, 2022  
**TO:** Honorable Mayor and City Council Members  
**FROM:** City Attorney  
**SUBJECT:** Consider, approve and adopt Ordinance No. 22-798 Amending Section 5-6.401 of the City of California City's Municipal Code to Approve an Increase in the Number of Cannabis Dispensaries Permitted to Operate within the City

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**BACKGROUND:** The City of California City ("City") has a robust regulatory program of cannabis-related business and activities, which includes the dispensing of cannabis for medical and non-medical purposes. This program initially went into effect on November 11, 2017, as the "Medical Cannabis Related Businesses and Activity," with the adoption of Ordinance No. 17-757 and codified at Title 5, Chapter 6, of the City's Municipal Code. It was subsequently repealed and reenacted in 2018 as the "Regulation of Cannabis Related Businesses and Activity," with the adoption of Ordinance No. 18-766.

Title 5, Chapter 6, Article 4 of the City's Municipal Code limits the number of cannabis dispensaries that are permitted to operate at any one time within the City. When Ordinance No. 18-766 was first adopted in 2018, Section 5-6.401 provided that, at any one given time, a maximum of two (2) retail storefront operations and two (2) delivery only dispensaries with no retail storefront were permitted to operate within the City.

In 2019, with the adoption of Ordinance No. 19-771, the City amended Section 5-6.401 of the Municipal Code to increase the number of "delivery only dispensaries with no retail storefront" from a maximum of two (2), to a maximum of ten (10) delivery only dispensaries with no retail storefront.

Since 2019, there has been an increase in the demand for cannabis dispensaries within City limits. Given this demand, Staff recommends the City Council increase the maximum number of retail storefront operations from two (2) to ten (10) and increase the maximum number of delivery-only dispensaries with no retail storefront from ten (10) to twenty (20).

**RECOMMENDATION:** Introduce the ordinance amending the maximum number of retail storefront operations to ten (10) and delivery-only dispensaries to twenty (20).

**FISCAL AND ENVIRONMENTAL IMPACT:** Expanding the number of retail storefront and delivery-only dispensaries would accelerate the assessment and collection of cannabis taxes.

**ATTACHMENT:** Ordinance No. 22-798

## ORDINANCE NO. 22-798

### AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY, AMENDING SECTION 5-6.401, ARTICLE 4 (NUMBER AND TYPE OF AUTHORIZED CANNABIS DISPENSARIES PERMITTED), CHAPTER 6 (REGULATION OF CANNABIS RELATED BUSINESSES AND ACTIVITY), TITLE 5 OF THE CITY OF CALIFORNIA CITY MUNICIPAL CODE

**WHEREAS**, the City of California City ("City"), pursuant to its police power, may adopt regulations to protect the health, safety and welfare of the public, Cal. Const. art. XI, § 7, Cal. Gov. Code § 37100, and thereby is authorized to declare what use and condition constitutes a public nuisance; and

**WHEREAS**, on October 11, 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Marijuana Regulation and Safety Act ("MMRSA"), effective January 1, 2016, which establishes a state licensing system for medical marijuana cultivation, manufacturing, delivery, and dispensing, regulating these activities with licensing requirements and regulations that are only applicable if cities and counties also permit marijuana cultivation, manufacturing, dispensing, and delivery within their jurisdictions; and

**WHEREAS**, effective June 27, 2016, SB 837 changed the name of the Medical Marijuana Regulation and Safety Act to the Medical Cannabis Regulation and Safety Act ("MCRSA"); and.

**WHEREAS**, the MCRSA expressly protects a City's local licensing practices, zoning authority, and other local actions taken under the City's constitutional municipal and police powers; and

**WHEREAS**, on November 8, 2016, the electorate of the State of California passed Proposition 64 ("Prop 64"), which enacted the Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA"). AUMA allows adults 21 and over to use, possess, and cultivate limited amounts of marijuana, establishes a state licensing and regulation scheme for marijuana businesses serving the recreational market, imposes a 15% tax on the sale of marijuana which will be used in part to fund research on the effects of recreational marijuana use, and will change criminal penalties for specified marijuana crimes. AUMA allows local jurisdictions to place reasonable regulations on the personal cultivation of marijuana within their jurisdiction, and explicitly permits them to prohibit personal cultivation of marijuana outdoors. AUMA also establishes state licensing and regulation system for non-medical marijuana businesses to operate within the state, including cultivation, manufacturing, distribution, dispensary, and testing laboratory businesses. AUMA allows local jurisdictions to prohibit these types of business from operating within their jurisdictions, or to regulate their operation. Businesses applying for state licenses to operate these types of businesses must comply with all local regulations; and

**WHEREAS**, effective June 27, 2017, the legislature approved the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA"). MAUCRSA did not change local government authority to regulate commercial cannabis businesses and cannabis commercial activity; and

**WHEREAS**, AUMA and MAUCRSA allow local jurisdictions to reasonably regulate the personal cultivation of marijuana and to regulate and/or prohibit all non-medical marijuana businesses from locating and operating within their jurisdictions;

**WHEREAS**, on November 11, 2017, the City Council of the City of California City ("City Council") adopted Ordinance No. 17-757, amending Title 5, Chapter 6, Article 4 of the California City Municipal Code to establish a permitting and regulation system for medical cannabis business within the City; and,

**WHEREAS**, in 2018, the City Council adopted Ordinance No. 18-766, which amended Section 5-6.401 of the California City Municipal Code to provide that, at any one given time, a maximum of two (2) retail storefront operations and two (2) delivery only dispensaries with no retail storefront were permitted to operate within the City; and

**WHEREAS**, in 2019, with the adoption of Ordinance No. 19-771, the City amended Section 5-6.401 of the California City Municipal Code to increase the number of "delivery only dispensaries with no retail storefront" from a maximum of two (2), to a maximum of ten (10) delivery only dispensaries with no retail storefront; and

**WHEREAS**, since 2019, there has been an increased demand for dispensaries within the City; and

**WHEREAS**, the City Council desires to increase the maximum number of retail storefront operations from two (2) to ten (10) and increase the maximum number of delivery-only dispensaries with no retail storefront from ten (10) to twenty (20).

**NOW, THEREFORE, THE CITY COUNCIL FOR THE CITY OF CALIFORNIA CITY HEREBY ORDAINS AS FOLLOWS:**

**SECTION 1.** The above findings are true and correct and incorporated herein.

**SECTION 2.** Section 5-6.401 of Article 4 (Number and Type of Authorized Dispensaries Permitted), of Chapter 6 (Regulation of Cannabis Related Businesses and Activity), of Title 5 of the California City Municipal Code, is hereby amended in its entirety as follows:

**Sec. 5-6.401. - Maximum Number of Cannabis Dispensaries Permitted to Operate within the City.**

- (a) The maximum number of each type of cannabis dispensary that shall be permitted to operate in the City at any time will be a maximum of **ten (10)** retail storefront operations and **twenty (20)** delivery-only dispensaries with no retail storefront. Retail storefront dispensaries are also authorized, with the required state license, to make off-site deliveries.
- (b) Sec. 5-6.401 is only intended to create a maximum number of cannabis dispensaries that may be issued permits to operate in the City under each category. Nothing in this Chapter creates a mandate that the City Council must issue any or all of the cannabis business dispensary permits potentially available.

**SECTION 3.** If any section, subsection, clause or phrase or portion of this code is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of all other provisions of this ordinance.

The City Council hereby declares that it would have passed the ordinance codified in this chapter, and each section, subsection, sentence, clause and phrase or portion thereof, irrespective of the fact that any one or more of the sections, subsections, sentences, clauses, or phrases or portions thereof be declared invalid or unconstitutional.

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this ordinance and shall cause the same to be published in the same manner required by law. This ordinance shall become effective thirty (30) days from and after its passage.

**PASSED, APPROVED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2022 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Jeanie O'Laughlin, Mayor

ATTEST:

\_\_\_\_\_  
Laurie Sutton, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney